

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF LOUISVILLE)
GAS AND ELECTRIC COMPANY) CASE NO. 2005-00274

ORDER

On July 1, 2004, in Case No. 2003-00433,¹ the Commission approved rates for Louisville Gas and Electric Company (“LG&E”) and provided for their further adjustment in accordance with LG&E’s gas supply clause (“GSC”).

On June 30, 2005, LG&E filed its proposed GSC to be effective August 1, 2005.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. LG&E’s notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. LG&E’s expected gas supply cost is 88.091 cents per 100 cubic feet, or \$8.8091 per Mcf, which is 23.44 cents per Mcf less than the previous expected gas supply cost of \$9.0435.
3. LG&E’s notice sets out no current refund adjustment (“RA”). LG&E’s notice sets out no total RA, which is no change from the previous total RA.
4. LG&E’s notice sets out a current actual adjustment (“AA”) of (1.82) cents per Mcf. The total AA of 12.28 cents per Mcf is 3.48 cents per Mcf more the previous total AA.

¹ Case No. 2004-00433, An Adjustment of the Gas and Electric Rates, Term, and Conditions of Louisville Gas and Electric Company, Order dated July 1, 2004.

5. LG&E's notice sets out a current Balance Adjustment ("BA") of 31.36 cent per Mcf, which is 30.85 cents per Mcf more than the previous BA.

6. LG&E's notice sets out its Performance-Based Rate Recovery Component ("PBRRC") of 6.18 cents per Mcf, which will remain in effect to collect LG&E's portion of PBR savings until January 31, 2006.

7. LG&E's gas supply cost component is 93.073 cents per 100 cubic feet or \$9.3073 per Mcf, which is 10.89 cents per Mcf more than the prior gas supply cost component of \$9.1984 per Mcf.

8. The rate in the Appendix to this Order is fair, just, and reasonable, and should be approved for gas supplied by LG&E on and after August 1, 2005.

IT IS THEREFORE ORDERED that:

1. The rate in the Appendix, attached hereto and incorporated herein, is approved for gas supplied on and after August 1, 2005.

2. Within 20 days of the date of this Order, LG&E shall file with this Commission its revised tariffs setting out the rate authorized herein.

Done at Frankfort, Kentucky, this 27th day of July, 2005.

By the Commission

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2005-00274 DATED July 27, 2005

The following rate is prescribed for the customers served by Louisville Gas and Electric Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Gas Supply Cost Component

The total Gas Supply Cost Component shall be 93.073 cents per 100 cubic feet during the period covered by the bill.